In the early 1990s, I had the opportunity to hear two U.S. economists present research on Japanese food stores and market distribution patterns. Neither had any lived experience of Japan, but economists appear able to derive significant research results in the absence of tacit knowledge. They identified the proliferation of little food shops as a key source of waste, inefficiency, and high prices. Why not get rid of all these and have supermarkets? Welcome to Walmart!

I kept my silence, but thought their research effort fatally flawed. In urban Japan, supermarkets require two things impossible to justify for the average apartment-dweller: a big refrigerator (for storage of the bi-weekly macro-product pilgrimage) and a car. Tiny apartments and parking space fees that rival tiny apartment rents simply make the U.S. supermarket approach problematic. While the U.S. economists were lamenting yet another Japanese market failure, we urban dwellers were positively marveling at a Japanese market solution of profound economic efficiency and ingenuity. The neighborhood 7-Eleven is your apartment’s refrigerator - also its attic, tool shed, storage closet, stationery drawer, and survival center. And the same is true for everyone else in the neighborhood. A personal example will suffice. My wife and I were about 10 days away from relocating to Denmark. We had surface shipped nearly everything. And then our daughter came down with measles, although we still had cleaning and last minute packing to do. For about one week, we all survived thanks to the "conbi" (the borrowed and abbreviated Japanese for "convenience store") up the street. Everything: meals and drink, cooling pads for the fevered child, packing boxes, last minute socks and other clothes, faxes, duct tape, gauze, and, of course, beer for dad. If one conbi does not have what you want, the other one down the street will, or the third one, right across the street from the second one.

In the strange urban density of Tokyo, conbi stores are everywhere and everything. They may also be an eyesore and the economic ruination of a thick, very traditional culture. These are empirical questions. Accordingly, an offer to read and review *The Success of 7-Eleven Japan*, by Akira Ishikawa and Tai Nejo (Singapore: World Scientific (1998) was too good to pass up. On reading, I found the book worth the time it takes to struggle through some excessive corporate enthusiasm, odd phrasings from overly literal translations, and a few unfortunate gaps.

The authors are honest enough to present their bias from the outset. They took up Porteri’s business structural analysis model to study 7-Eleven Japan; "we are aiming for a very objective analysis and in addition to the excellence of the company, we will also look at some of the current problems and difficulties facing 7-Eleven Japan.” (p. vi). They sought to explain three facts: the astonishing profit of the firm, how it surpassed its parent firm (US) in turnover and profit, and how 7-Eleven Japan has
beaten the domestic competition for nearly 20 years.

In the main, their chapters do shed important light on each of these questions. Beginning in 1973, 7-Eleven has prospered throughout the expansionist Bubble economy and remained viable even in the persistent recession thereafter. The authors explain in considerable detail a number of different features that enabled the growth and strength of the firm: the role of information technology, Point-of-Sale product control, a carefully thought out "joint delivery" system, coupled with a "dominant store system" that creates a high density of many stores in limited geographic areas. All of these innovations, apparently, flow from the very top-down managerial style of Hirofumi Suzuki, who essentially reinvented the firm for Japan. Two of his quotes illuminate the organizational culture (from p. 64):

3. Power should not be distributed but should be concentrated.
5. The way of thinking that everything should follow the USA model has been prevailing in the distribution industry and does not make any sense.

Clearly, Mr. Suzuki would not have agreed with the two U.S. economists any more than I did. Yet, the issue of power remains interesting, as little was said in the book about how employees are recruited, trained, and retained. There is also a sharp distinction to be made between the franchise owners and their part-time hires. I wondered how the HRM policies of the firm could sustain such growth, relentless re-invention, and pre-sumably breath-taking turnover. Indeed, much of the IT innovation appears precisely to enable deployment of essentially unskilled part-time employees, working at all hours of the day or night, practically on-hire. More details on these issues would have filled out an interesting narrative.

There are some language difficulties that an editor might have spared the reader. A reader unfamiliar with Japan will be totally confused by the great fuss made over "lunch boxes." The English term has nothing at all to do with a Japanese "bentobako". The latter does deserve all the attention the author's give it: recall that your local "conbi" is the neighborhood's local refrigerator. Further-more, the book is essentially a paean of praise for 7-Eleven Japan, and claims for any research objectivity seem farfetched. Nevertheless, 7-Eleven Japan not only succeeded, it went on to redeem its parent firm in the U.S. Accordingly, this very sympathetic account, presenting basic history, IT details, and future challenges, is a worthy read for academics and anyone planning to sell anything in Japan.